



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 14, 1998

S. 1504

Haitian Refugee Immigration Fairness Act of 1998

As reported by the Senate Committee on the Judiciary on April 23, 1998

SUMMARY

S. 1504 would grant permanent residence to certain Haitian refugees and their families who reside in the United States. These persons would have to apply by April 1, 2000. Some Haitians who would be permitted to become legal permanent residents under the bill would thereby qualify for certain welfare benefits for which they would otherwise be ineligible. CBO expects that their eligibility would add costs for benefit programs, ranging between \$1 million and \$6 million a year over the 1999-2003 period. Because enacting S. 1504 would affect direct spending, pay-as-you go procedures would apply. Discretionary costs for implementing the bill would be negligible.

S. 1504 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA). Some Haitians would be eligible for Medicaid assistance, which would cost states approximately \$1 million in fiscal year 2000 and \$3 million annually from fiscal years 2000 through 2003, but these impacts would not be considered mandates under UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1504 is shown in the following table. The costs of this legislation fall within budget functions 550 (health), 600 (income security), and 750 (administration of justice). In addition to the estimated changes in direct spending shown in the table, implementing the bill would require small discretionary expenditures by the Immigration and Naturalization Service (INS) and the Attorney General for collecting data and preparing reports. CBO estimates that those costs would total less than \$500,000 a year.

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
CHANGES IN DIRECT SPENDING						
Supplemental Security Income						
Estimated Budget Authority	0	1	1	3	3	3
Estimated Outlays	0	1	1	3	3	3
Medicaid						
Estimated Budget Authority	0	a	1	3	3	3
Estimated Outlays	0	a	1	3	3	3
Total Changes						
Estimated Budget Authority	0	1	2	6	6	6
Estimated Outlays	0	1	2	6	6	6

a. Less than \$500,000.

BASIS OF ESTIMATE

The change in the Haitians' legal status would affect their eligibility for certain welfare benefits. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) curbed aliens' eligibility for most federal welfare benefits, but those restrictions were modified in the Balanced Budget Act of 1997 (BBA). Specifically, the BBA provided that aliens who were "lawfully residing" in the United States in August 1996, the date of PRWORA's enactment, could later apply for Supplemental Security Income (SSI) on the basis of disability. At the time of application for benefits they must be "qualified aliens." Those two definitions are not identical; a handful of groups—notably aliens with pending applications for asylum and aliens who have been granted parole—fall into the broader group labeled "lawfully residing" but not into the narrower group of "qualified aliens" who can apply for SSI. S. 1504 would permit some Haitians who were lawfully residing in August 1996 to become legal permanent residents, thereby clearing the way for them to seek benefits.

CBO estimates that less than 2 percent of the 40,000 or so Haitians who would become legal permanent residents under S. 1504 could qualify for SSI disability benefits and the associated Medicaid benefits. That assumption is based on a five-year study of aliens who received amnesty under the Immigration Reform and Control Act of 1986. CBO assumes that the Haitians' economic and demographic characteristics resemble that group's. Multiplying the resulting number of SSI and Medicaid participants—about 500—by the average cost per

recipient—about \$6,000—results, by fiscal year 2003, in additional spending of about \$3 million a year in both SSI and Medicaid.

Enacting S. 1504 would increase fees collected by the INS from the 40,000 or so Haitians who would become permanent residents under the bill. We expect that the fees for permanent residence would be \$130 for adult beneficiaries and \$100 for children, so implementing the bill would increase the amount of fees collected by the INS by a total of about \$5 million over fiscal years 1998 through 2000. The INS would spend the fees, without appropriation action, mostly in the year in which they are collected. Therefore, enacting S. 1504 would result in a negligible net budgetary impact on annual spending by the INS.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go rules are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	1	2	6	6	6	7	7	7	8	9
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 1504 contains no intergovernmental mandates as defined in UMRA. While some Haitians would be eligible under S. 1504 for certain welfare benefits, including Supplemental Security Income, very few would qualify for SSI supplements provided by states. They would also be eligible for Medicaid assistance, which would cost states approximately \$1 million in fiscal year 2000 and \$3 million annually from fiscal years 2000 through 2003. However, because states possess sufficient flexibility to alter their financial or programmatic responsibilities to offset these additional Medicaid costs, these impacts would not be considered mandates under UMRA.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no private-sector mandates as defined in UMRA.

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